GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:817
ANSWERED ON:12.11.2010
ATTRACTING FOREIGN INVESTMENT
Dashmunsi Deepa

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to amend the direct and indirect tax laws to facilitate inflow of foreign investment;

(b) if so, the details thereof and the time by which it is likely to be done; and

(c) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S.S. PALANIMANICKAM)

(a) to (c): The current provisions in the Income-tax Act, 1961 have adequate measures to facilitate foreign investments such as relief from double taxation through Double Taxation Avoidance Agreements (DTAAs), exemption of income from long term capital gains on listed securities, exemption to foreign Institutional Investors (FIIs) from TDS provisions etc. Consequently there is no proposal to further amend the direct and indirect taxes laws to facilitate inflow of foreign investment.